Secondary Market Corporate Credit Facility

On December 31, 2020, the authorization for the SMCCF to purchase eligible assets expired as scheduled and the SMCCF closed. On December 17, 2021, the special purpose vehicle established to purchase eligible assets was terminated. The materials and information on the web pages associated with this facility will remain available.

The Secondary Market Corporate Credit Facility (SMCCF) was established to support credit to large employers by providing liquidity for outstanding corporate bonds.

The SMCCF, which was announced on March 23, 2020, supported market liquidity for corporate debt by purchasing corporate bonds and exchange-traded funds (ETFs) in the secondary market. As specified in the term sheet, the SMCCF purchased corporate bonds to create a corporate bond portfolio that was based on a broad, diversified market index of U.S. corporate bonds and purchased U.S.-listed ETFs whose investment objective was to provide broad exposure to the market for U.S. corporate bonds.

To establish the facility, the Federal Reserve Bank of New York financed a special purpose vehicle (SPV) called Corporate Credit Facilities LLC (CCF LLC) to purchase eligible corporate bonds and eligible ETFs in the secondary market. The U.S. Department of the Treasury made an equity investment in the SPV. The SMCCF was established by the Federal Reserve under the authority of Section 13(3) of the Federal Reserve Act, with approval of the Treasury Secretary.

The SMCCF began gradual and orderly sales of its holdings of corporate bond ETFs on June 7, 2021 and of its holdings of corporate bonds on July 12, 2021. As of August 31, 2021, all of the SMCCF’s holdings of corporate bonds either matured or were sold and its ETFs were sold. The SMCCF transacted the sales with Eligible Sellers, which included those institutions that were designated as Eligible Sellers prior to December 31, 2020 and those counterparties that were added for the sales of ETFs and corporate bonds by the SMCCF.

On November 19 and December 14, 2021, the CCF LLC distributed its cash in installments to the Treasury and the New York Fed. In accordance with the CCF LLC limited liability agreement, 90% of the distributions sent to the Treasury and 10% to the New York Fed. The CCF LLC returned the Treasury’s full equity investment in installments in January 2021 and September 2021.

On December 17, 2021, the CCF LLC was terminated.

- Program Terms and Conditions
- Frequently Asked Questions
- Seller Certification Materials
- Eligible Sellers
- Composition of the SMCCF Broad Market Index
- Competitive Procurement Process for Certain Vendor Roles Supporting Emergency Lending Facilities and Programs

VENDORS

On March 24, 2020, the New York Fed retained BlackRock Financial Markets Advisory as a third-party vendor to serve as the investment manager for this facility. BlackRock was selected for this role after considering its expertise with purchasing large amounts of all relevant types of corporate debt issuance and corporate bonds in the secondary market, deep knowledge and substantial experience in the corporate debt markets, and robust operational and technological capabilities. On February 4, 2021, the New York Fed notified BlackRock that it would be replacing BlackRock as the cash investment manager and had identified a new vendor to perform that role going forward.

On April 15, 2020, the New York Fed retained State Street Bank & Trust Company (State Street) as a third-party vendor to serve as the custodian and administrator for this facility. State Street was selected for this role after evaluating its response to a request for
proposals, which considered implementation and operational capabilities, as well as overall qualifications needed to support the facility. The New York Fed terminated the relationships with State Street, effective December 16, 2021.

On February 8, 2021, the New York Fed announced it had engaged Payden & Rygel as a third-party vendor to serve as cash investment manager for this facility. Payden & Rygel was selected following the completion of a previously announced competitive procurement process. The New York Fed terminated the relationship with Payden & Rygel, effective November 29, 2021.

Quarterly reports on the costs associated with the vendors supporting this facility are available in Vendor Information.

**Facility Agreements**

- **Administration Agreement**  
  *(Updated December 17, 2021)*

- **Cash Investment Management Agreement**  
  *(Updated December 17, 2021)*

- **Control Agreement**  
  *(Updated December 17, 2021)*

- **Credit Agreement**  
  *(Updated December 17, 2021)*

- **Custodian Agreement**  
  *(Updated December 17, 2021)*

- **Investment Management Agreement**  
  *(Updated October 18, 2021)*

- **Investment Memorandum of Understanding**  
  *(Updated December 17, 2021)*

- **Legal Services Engagement Letter**

- **Limited Liability Company Agreement**  
  *(Updated December 17, 2021)*

- **Preferred Equity Account Agreement**  
  *(Updated December 17, 2021)*

- **Preferred Equity Investments Agreement**

- **Security Agreement**  
  *(Updated September 24, 2021)*

- **State Street Fee Letter**

**ANNOUNCEMENTS**

New York Fed Announces the Start of Secondary Market Corporate Credit Facility Corporate Bond Sales on July 12  
_JULY 8, 2021_

New York Fed Announces the Start of Secondary Market Corporate Credit Facility ETF Sales on June 7  
_JUNE 3, 2021_

Federal Reserve Board Announces Plans to Begin Winding Down the Portfolio of the Secondary Market Corporate Credit Facility  
_JUNE 2, 2021_

New York Fed Completes Competitive Procurement Process for Cash Investment Manager for the Secondary Market Corporate Credit Facility  
_FEBRUARY 8, 2021_
New York Fed Launches Prequalification Process for Corporate Bond and ETF Investment Management Services for Secondary Market Corporate Credit Facility as Part of Multiphase Competitive Procurement Process
FEBRUARY 1, 2021

New York Fed Selects Additional Firms To Broaden its Counterparty Base for CPFF and SMCCF
NOVEMBER 6, 2020

New York Fed Selects Additional Firms to Broaden its Counterparty Base for CPFF and SMCCF
OCTOBER 23, 2020

New York Fed Begins Competitive Procurement Process for Certain Vendor Roles Supporting Emergency Lending Facilities and Programs
OCTOBER 5, 2020

New York Fed Announces the First Wave of Firms Selected To Broaden its Counterparty Base for CPFF and SMCCF
SEPTEMBER 9, 2020

Federal Reserve Board Announces an Extension through December 31 of its Lending Facilities that were Scheduled to Expire on or around September 30
JULY 28, 2020

New York Fed Looks to Expand 13(3) Facilities Counterparties and Agents for CPFF, SMCCF and TALF
JULY 23, 2020

Federal Reserve Board Announces Expansion of Counterparties in the Term Asset-Backed Securities Loan Facility, Secondary Market Corporate Credit Facility, and Commercial Paper Funding Facility
JULY 23, 2020

New York Fed Announces Start of Additional Secondary Market Corporate Credit Facility Purchases on June 16
JUNE 15, 2020

New York Fed Announces Start of Certain Secondary Market Corporate Credit Facility Purchases on May 12
MAY 11, 2020

New York Fed Releases Additional Information on Primary Market and Secondary Market Corporate Credit Facilities in Preparation for Series of May Launches
MAY 4, 2020

APRIL 17, 2020

Federal Reserve Takes Additional Actions to Provide Up to $2.3 Trillion in Loans to Support the Economy
APRIL 9, 2020

Federal Reserve Announces Extensive New Measures to Support the Economy
MARCH 23, 2020

**Reporting**

*Aggregated Weekly Reporting*
H.4.1 Factors Affecting Reserve Balances of Depository Institutions and Condition Statement of Federal Reserve Banks.

*Detailed Monthly Reporting*
Reports filed by the Federal Reserve with Congress pursuant to section 13(3) of the Federal Reserve Act concerning the lending facilities.

**Video: The Corporate Credit Facilities, Explained**